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TAGS: [PGOV](#) [ELAB](#) [ECON](#) [EPET](#) [GB](#)
SUBJECT: GABON: UNION LEADERS WARN OF IMMINENT STRIKES IN
THE OIL SECTOR

REF: A. 08 LIBREVILLE 162
[B](#). 08 LIBREVILLE 386
[C](#). 07 LIBREVILLE 512
[D](#). LIBREVILLE 0076

Classified By: Management Officer Charles Morrill for reasons 1.5 (b) and (d).

Summary

[1](#). (C) Union leaders in Port Gentil, the center of Gabon's petroleum production, warn that one or more strikes by oil workers are imminent. Though splintered into dozens of small unions and five overlapping confederations, labor leaders in the petroleum sector are united by a cause that may soon bring them to the picket line--their contention that oil companies are ignoring (and the government is not enforcing) legislation passed specifically to mollify oil workers after their last strike in 2008. Gabon produces about 250,000 barrels of oil per day and Gabon is Africa's sixth largest exporter of oil to the United States. End Summary.

Strikes "Imminent"?

[2](#). (C) Petroleum is Gabon's economic lifeblood, and an industry beset by periodic labor problems (Refs. A-C). On recent visits to Port Gentil, embassies met with the regional leaders of Gabon's five primary labor organizations, including the Organization Nationale des Employes du Petrole (ONEP). Though Gabon's labor movement has traditionally been splintered into overlapping confederations of unions, oil workers recently came together informally under the ONEP umbrella. Sylvain Pamou, spokesperson for ONEP, said that another strike among oil workers is likely soon. The leaders of the other four confederations concurred.

[3](#). (C) A strike by workers at Gabon's key oil terminal shut down about one quarter of Gabon's oil production for 12 days in 2008 (Ref. A). After we spoke to ONEP officials, they notified the government that workers at a key oil refinery in Port Gentil would begin a strike on March 13 unless worker demands are met. Another oil industry source told us that two oil producers have been advised that their workers are also threatening to strike. It was not immediately clear which of these strikes will take place, or what impact they will have on overall production. A strike at the local refinery would seriously interfere with the supply of petroleum products to Gabon's domestic market.

[4](#). (C) Pamou explained that the widespread use of workers on short-term contracts is at the heart of current grievances. In an effort to end strikes and other labor actions stretching back to 2006, the government passed the Contract Workers Law in January 2008. This law established

contract workers' right to strike and required employers to provide contract workers with some benefits and training. It also obliged companies to convert temporary workers into regular employees after two years of continuous employment. With the status of regular employees, former contractors would be entitled to higher wages, a pension, and full health benefits. Prior to this legislation, contract workers could be employed for an unlimited period of time and dismissed at any time. According to union officials, some contract workers in the petroleum industry have worked for up to 18 years have been let go without advance notice or severance packages.

15. (C) Union leaders complained that the Contract Workers Law is not being enforced. Though the law was promulgated in direct response to the concerns of oil workers, it applies to all sectors of the Gabonese economy. Union leaders argued that the Gabonese government often makes grandiose promises to placate striking workers and then fails to live up to these promises once the workers return to their jobs. They cited the case of striking teachers who received concessions from the government in January in order to return to the classroom. Like the oil workers, the teachers claim the government has failed to keep its promises, and they are once again threatening to strike (Ref. D).

16. (C) Interviewed separately, one senior oil company official admitted that some companies in the oil industry continue to make widespread use of contract workers. He claimed that his company respects the new law, but others do not. He explained that some companies, particularly in the oil services industry, experience fluctuating demand for

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labor as production levels and other factors change.

Government Promises Unkept

17. (C) Labor leaders complained that the upper ranks of both oil companies and the government are filled with people with family, political or social ties to Gabonese President El Hadj Omar Bongo Ondimba. The leaders argued that many government leaders have conflicts of interest since (as shareholders in the oil companies) they are more concerned by the financial health of the companies than the well-being of the workers. In addition to individual holdings, the Gabonese government also has an important stake in some oil operations. For instance, the government holds a 25 percent interest in Shell Gabon, with the remainder owned by Netherlands-based Royal Dutch Shell. Shell is Gabon's largest oil producer.

18. (C) Union leaders in Port Gentil also complained that the government does not give labor inspectors the financial resources, or the regulatory and enforcement tools needed to implement the new law. They said the labor inspectors themselves had recently gone on strike, in part because they are not empowered to carry out their work. Other leaders, however, claim that labor inspectors are frequently bribed by employers to ignore poor labor conditions. And media reports from the time of the labor inspector strike indicated that their primary stated demand was to receive their fair share of Ministry of Labor-wide bonuses, which strikers claimed were being embezzled by top Ministry officials.

19. (C) Finally, like union leaders in other sectors (Ref. D), leaders in the petroleum sector believe that oil companies and the Gabonese government earned enormous profits during the period of high oil prices in 2008. Oil company union representatives say they understand that Gabon's oil production will gradually decline absent new discoveries and favorable economic conditions. They explained that it is precisely for this reason that they need to win concessions now, while production is still strong.

Comment

¶10. (C) A predicted strike action in at least one part of Gabon's petroleum industry could begin as early as March 13. With five umbrella organizations having overlapping membership, the Gabonese labor movement is splintered and generally weak. However, government's failure to enforce previous labor agreements has led to greater unity among workers in some key sectors--including petroleum, the bedrock of the Gabonese economy. End Comment.
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